

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-676

December 6, 2002

MAINE PUBLIC SERVICE COMPANY
Request for Approval of Reorganization
of the company Structure into a Holding
Company Structure

PROCEDURAL ORDER

On December 3, 2002, the Hearing Examiner issued a Procedural Order which established the initial schedule in this matter. The schedule set forth in that Procedural Order provided for a Phase I schedule to process all matters other than MPS's request for an exemption from future reorganizations. The Phase I schedule established a December 10, 2002 deadline for discovery on the Company's case with responses due on the discovery on December 24, 2002, a technical conference on January 8, 2003, and a status conference scheduled for January 17, 2003. The remainder of the Phase I schedule would be developed at the status conference, with the hope that the Phase I issues could be significantly narrowed at such time. Phase II of the case, which would process the exemption request, would commence after Phase I was completed.

On December 4, 2002, MPS appealed the Examiner's decision to bifurcate the proceedings and requested that the Examiner modify the December 3rd Procedural Order to require that the discovery due to be filed on December 10th include any discovery on MPS's exemption request. A hearing on MPS's motion to modify the Procedural Order was held on December 5, 2002. Appearing at the hearing were Steve Ward, on behalf of the OPA, and Kimball Kenway and Scott Sells (via telephone), on behalf of MPS. The following orders reflect the representations, arguments and discussions at the conference.

At the start of the hearing, counsel for MPS represented that MPS would be amending its petition so that the request for exemption from reorganization approval would be narrowed from that contained in the original petition to a request which mirrors the Commission decision in *Central Maine Power Company, Et. Al., Request For Waiver From The Reorganization Approval Requirements in 35-A M.R.S.A. Section 708*, Docket No. 2001-447, Order (Dec.20, 2001). The Examiner finds that, while there are still significant issues concerning MPS's exemption requests, specifically, involving investment levels and the exposure of the utility to investments by the proposed parent in unregulated and unapproved affiliates, the Company's proposal to amend its petition greatly reduces the issues to be addressed in processing the exemption request. Therefore, the Examiner concludes that it will now be possible to commence the Phase II schedule in January, 2003 and before Phase I is completed.

As noted during the hearing, it was never the intent of the Examiner's decision to bifurcate this matter to unreasonably delay the processing of the Company's exemption request. While the case will continue to be bifurcated, the goal will be to complete

Phase II by the end of April, 2003. The Company's request to require that the December 10th discovery deadline be amended to require discovery on exemption issues, however, is denied. The initial schedule in this case then, as modified by this Order, is as follows:

<u>Activity</u>	<u>Date</u>
Data Requests on Phase I Issues	December 10, 2002
Company Files Amended Exemption Request	December 20, 2002
Data Responses on Phase I Requests	December 24, 2002
Technical Conference	January 8, 2003
Data Requests on Phase II Issues	January 13, 2003
Status Conference (Phase I and II Issues)	January 17, 2003 (10:00 a.m.)

Dated at Augusta, Maine, this 6th day of December, 2002.

BY ORDER OF THE HEARING EXAMINER

Charles Cohen